

FIRST REGULAR SESSION

SENATE BILL NO. 376

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS LAGER AND CALLAHAN.

Read 1st time February 16, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1744S.02I

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to energy efficiency investments by electric and gas corporations.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto one new
2 section, to be known as section 393.1124, to read as follows:

**393.1124. 1. This section shall be known as the "Missouri
2 Residential and Small Business Energy Efficiency Investment Act".**

**3 2. The public service commission shall permit electric and gas
4 corporations to implement commission-approved energy efficiency
5 programs proposed pursuant to this section. Such programs shall be
6 beneficial to all customers in the customer class in which the program
7 is proposed, regardless of whether the program is utilized by all
8 customers.**

**9 3. The commission shall develop cost recovery mechanisms that
10 value energy efficiency investments equal to or better than traditional
11 supply side investments. Such mechanisms shall include the
12 capitalization of investments in and expenditures for energy efficiency
13 programs and a recovery of lost sales attributable to approved energy
14 efficiency programs. The commission may also develop cost recovery
15 mechanisms to further encourage investments in energy efficiency
16 including, in combination and without limitation: an incentive rate of
17 return higher than the rate of return on other investments, accelerated
18 depreciation on energy efficiency investments, allowing the utility to
19 retain a portion of the net benefits of an energy efficiency program for
20 its shareholders, allowing the utility a fixed investment recovery
21 mechanism to recover lost margins and a cost adjustment clause for**

22 collection of costs associated with energy efficiency programs.

23 4. The commission may reduce or exempt allocation of energy
24 efficiency expenditures to low income classes, as defined in an
25 appropriate rate proceeding, as a subclass of residential service. No
26 customer in any rate class shall pay more than five thousand dollars a
27 month to support programs authorized under this
28 section. Notwithstanding any other statute or commission rules, this
29 section explicitly provides the commission authority to approve low
30 income tariffs.

31 5. The commission shall provide oversight and may adopt rules
32 and procedures and approve corporation-specific settlements and tariff
33 provisions, as necessary, to ensure that electric and gas corporations
34 can achieve the goals of this section. Any rule or portion of a rule, as
35 that term is defined in section 536.010, RSMo, that is created under the
36 authority delegated in this section shall become effective only if it
37 complies with and is subject to all of the provisions of chapter 536,
38 RSMo, and, if applicable, section 536.028, RSMo. This section and
39 chapter 536, RSMo, are nonseverable and if any of the powers vested
40 with the general assembly pursuant to chapter 536, RSMo, to review, to
41 delay the effective date, or to disapprove and annul a rule are
42 subsequently held unconstitutional, then the grant of rulemaking
43 authority and any rule proposed or adopted after August 28, 2009, shall
44 be invalid and void.

45 6. Each electric and gas corporation shall submit an annual
46 report to the commission describing the energy efficiency programs
47 implemented by the utility in the previous year. The report shall
48 document program expenditures, including incentive payments, peak
49 demand and energy savings impacts and the techniques used to
50 estimate those impacts, avoided costs and the techniques used to
51 estimate those costs, the estimated cost-effectiveness of the energy
52 efficiency programs, and the net economic benefits of the energy
53 efficiency programs.

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